

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

CLEANING AND DYEING
INDUSTRY

AS SUBMITTED ON AUGUST 23, 1933



The Code for the Cleaning and Dyeing Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are*
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

SUBMITTED BY
NATIONAL ASSOCIATION OF DYERS AND CLEANERS
(II)

CODE OF FAIR COMPETITION FOR THE CLEANING AND DYEING INDUSTRY

NATIONAL ASSOCIATION OF DYERS AND CLEANERS

To effectuate the policy and broad purposes of Title I of the National Industrial Recovery Act, the following provisions are established as a National Industrial Recovery Code for the Cleaning and Dyeing Industry:

SECTION I—DEFINITIONS

ARTICLE 1. *Cleaning and dyeing industry.*—The term cleaning and dyeing industry as used herein is defined to include any and all cleaning and dyeing establishments.

ART. 2. *Cleaning and dyeing establishment.*—The term cleaning and dyeing establishment as used herein is defined to include any place where any article of wearing apparel, household furnishings, rugs, fabrics, furs, and leather of any kind whatsoever, are dry-cleaned, spotted, wetcleaned, dyed, processed, and/or finished for hire, and/or such service is offered for sale or resale. Nothing included herein shall prevent an individual from pursuing the vocation of manual labor.

ART. 3. *Drycleaning.*—Drycleaning is the process of cleaning wearing apparel, household furnishings, rugs, fabrics, furs, and leather of any kind whatsoever, by the immersion and agitation of these articles in volatile solvents, such as those of the petroleum distillate type, the coal-tar distillate type, or the chlorinated hydrocarbon type, and processes incidental thereto, such as spotting, wetcleaning, finishing, etc. Minimum standards will be set by a technical committee appointed as hereinafter specified.

ART. 4. *Spotting.*—Spotting is the operation of removing spots or stain which may remain in fabrics after any of the above-mentioned cleaning processes have been applied, except those chemically determined by the technical committee of the National Association of Dyers and Cleaners as unremovable without injury to the fabric or color.

ART. 5. *Finishing.*—Finishing is the operation of pressing and/or reshaping any article of wearing apparel, household furnishings, rugs, fabrics, furs, and leather of any kind whatsoever, either by hand or by machines through the use of heat, steam, air, or other means, with the shape, dimensions, and contour of the article restored as nearly as possible to the condition in which the article was received.

ART. 6. *Cleaning plant.*—A cleaning plant consists of equipment for cleaning any article of wearing apparel, household furnishings, rugs, fabrics, furs, and leather of any kind whatsoever, by immersion and agitation in volatile solvents, such as those of the petroleum

distillate type, coal tar distillate type, or chlorinated hydrocarbon type.

a. *Retail cleaning plant*.—A retail cleaning plant is one which sells at least 75 percent of its product or service to the ultimate consumer through sales outlets directly controlled by the plant.

b. *Wholesale cleaning plant*.—A wholesale cleaning plant is one which sells more than 25 percent of its product or service to retailers at wholesale prices for re-sale by the retailers to the ultimate consumer under the retailers' own names.

ART. 7. *Retailer*.—A retailer is any retail outlet, including trucks or stores or both, owned and operated by a plant, and also independent retail tailors and press shops not owned by a plant, which purchase cleaning and/or dyeing service from a plant and distribute it to the consumer under the retailer's own name.

ART. 8. *Route salesman*.—A route salesman is any person employed, either on a salary or commission basis or both, by a cleaning and dyeing establishment, to call for, solicit, and deliver its services and/or collect for same.

ART. 9. *Solicitor, bobtail, or commissioner*.—A solicitor, bobtail, or commissioner is any person who solicits cleaning, dyeing, or tailoring in any territory, by any means, under any name, who is not regularly employed by any cleaning and dyeing establishment.

ART. 10. *Tailor*.—A tailor is any retailer who makes clothes to order, or repairs, alters, and/or presses them, in addition to receiving garments for cleaning and dyeing.

SECTION II—ADMINISTRATION

ARTICLE 1. The National Association of Dyers and Cleaners is hereby designated as the agency for administering, supervising, promoting, and enforcing the performance of the provisions of this Code by the members of the cleaning and dyeing industry.

ART. 2. (a) The Board of Directors of the National Association of Dyers and Cleaners shall establish a Recovery Executive Committee, responsible to the Board of Directors of the National Association and to the National Recovery Administration for the complete and proper administration, supervision, promotion, and enforcement of the provisions of this Code. This Recovery Executive Committee shall have authority (1) to define, interpret, and regulate unfair trade practices as outlined in Section IV of this Code; (2) to determine the basis for calculating and the form for reporting costs; (3) to require the submission of cost and other statistical data as provided for in Section V of this Code; (4) to apply and enforce any special regulations which may be imposed upon members of the cleaning and dyeing industry by the National Recovery Administration; (5) to delegate power to authorize committees of affiliated state, sectional, and/or local associations within the industry; (6) to determine, publish, and enforce fair minimum prices; (7) to prescribe fair ratios between wholesale and retail charges.

(b) As a protection to the consumer and to assure uniform standards of workmanship, the Board of Directors of the Association shall also appoint a technical committee, composed of one active member of the National Association of Dyers and Cleaners, one tech-

nician, who may be selected from without the industry, preferably from the U.S. Bureau of Standards, and one representative of the American Home Economics Association. This committee shall have the power, under the Recovery Executive Committee, to prescribe minimum standards of quality for cleaning, finishing, and other processing.

ART. 3. Because of the impossibility of knowing at this time whether or not this Code will meet all situations which may arise, the National Association of Dyers and Cleaners hereby reserves the right to make application through the Recovery Executive Committee for such alterations, amendments, or changes in it as may be advisable or necessary.

ART. 4. This Code or any agreement made thereunder, or any license approved, prescribed, or connected therewith, is subject to cancellation or modification by the President of the United States in accordance with Section 10B of the Act. Subject to the approval of the President, this Code may be amended by a vote of the majority of the Recovery Executive Committee.

ART. 5. The Recovery Executive Committee shall have authority to levy necessary fees on all those engaged in the cleaning and dyeing industry for administering this Code and for carrying out the intent of the Recovery Act.

ART. 6. Any organization in the textile maintenance field may become an affiliate of the National Association of Dyers and Cleaners which desires to cooperate therewith, and bear a proportionate share of the costs.

ART. 7. The effective date of this Code shall be one week after its approval by the President.

SECTION III—LABOR PROVISIONS

ARTICLE 1. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, intimidation, or coercion of any person or persons, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

ART. 2. No person shall be employed in any cleaning plant or retail outlet, who is less than 17 years of age.

ART. 3. (a) Minimum wages paid to plant employees in the cleaning and dyeing industry shall be 33¢ per hour in cities of over 500,000 population and their immediate trade areas (as determined from the 1930 Federal Census); 30¢ per hour in cities of between 100,000 and 500,000 population and their immediate trade areas; and 27¢ per hour in cities of less than 100,000 population and their immediate trade areas; except in the Southern territory, where minimum wages shall be 25¢, 22½¢, and 20¢ per hour, respectively, for the three aforementioned classes of cities and their immediate trade areas.

For purposes of this provision, the Southern territory is defined to include the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia.

(b) Minimum wages paid to office employees in the cleaning and dyeing industry shall be not less than \$14.00 per week in cities of over 500,000 population and their immediate trade areas; not less than \$13.50 per week in cities of from 100,000 population to 500,000 population and their immediate trade areas; not less than \$13.00 per week in cities of less than 100,000 population; except that minimum wages for office employees shall be \$1.00 less per week than the above quoted rates in the aforementioned Southern section.

For purposes of this provision, office employees are defined to include all clerical, accounting, and service employees working in the office of any cleaning and dyeing establishment, and in retail stores used as collection and delivery outlets.

ART. 4. The Recovery Executive Committee may, after gathering and tabulating more complete pay-roll statistics from the industry at large, and living cost statistics from governmental agencies, prescribe minimum percentages of net volume which shall be paid to labor, provided that in any case the minimum wage shall not be below the amounts prescribed in Article 3 above.

ART. 5. The maximum average number of working hours per week for productive labor and office employees shall be 45, but this can be extended to 50 hours per week to take care of seasonal fluctuations in volume, provided that sufficient hour-credits have been accumulated prior thereto by the employee. This clause requiring prior accumulation of hour-credits shall not become effective until December 1, 1933.

The maximum average number of working hours per week for engineers, firemen, and maintenance employees shall be 51, but this can be extended to 56 hours per week, provided that sufficient hour-credits have been accumulated prior thereto by the employee. This clause requiring prior accumulation of hour-credits shall not become effective until December 1, 1933. Watchmen are not included in this provision.

ART. 6. All route salesmen, whether on straight salary, salary and commission, or straight commission, shall work not more than the maximum hours of business prescribed for retail outlets.

ART. 7. Clerks employed in retail stores shall be required to work no more than 48 hours per week.

ART. 8. Employees acting entirely or largely in a supervisory or executive capacity and receiving \$30.00 per week or more in salary, are exempt from the wage and hour provisions of this Code.

ART. 9. Employees shall not be coerced to purchase stock in the employing company.

ART. 10. Wages shall be paid promptly when due, at reasonable and regular intervals.

SECTION IV—UNFAIR TRADE AND COMPETITIVE PRACTICES

The following shall be considered unfair trade and competitive practices in the cleaning and dyeing industry:

ARTICLE 1. *Misleading advertising.*—The use of, participation in, or publishing, or broadcasting any untrue, deceptive, or misleading statement, representation or illustration, in an effort to sell cleaning or dyeing service.

ART. 2. *Unfair competitive claims.*—The use of superlatives in advertising, such as to advertise one's cleaning or dyeing service as the "best" or the "finest."

ART. 3. *Defamation or disparagement of competitors.*—Falsely imputing to competitors dishonorable conduct, inability to perform contracts, questionable credit standing, or false representation concerning the grade or quality of their product.

ART. 4. *Underselling claims.*—Advertising which lays claim to a policy or continuing practice of generally underselling competitors.

ART. 5. *Misleading guarantees.*—Guarantees when offered shall be specific as to the nature and extent of the guarantee, and shall be in writing.

ART. 6. It shall be mandatory for all those engaged in the cleaning and dyeing industry to carry at all times adequate Bailee Insurance covering fire, theft, explosion, or establish their ability to satisfy any claims that may arise from causes covered by such Bailee policy.

ART. 7. *Misleading statements concerning insurance.*—To advertise to the effect that garments are insured, when full and adequate protection is not provided for the benefit of the customer.

ART. 8. *Disclaimers.*—To attempt to evade proper responsibility for articles left for cleaning or dyeing, either by verbal agreement or by the use of any printed form of disclaimer other than those approved by the courts.

ART. 9. *Misrepresentation of prices.*—To represent certain prices and terms as "special", when they are in fact regular prices and regular terms. Also, to imply that quoted prices apply to completely finished work, when in fact they apply only to partially processed work.

ART. 10. *Unfair merchandising devices.*—a. Free work, including finishing, to anyone except an approved charity.

b. Coupon books or discount coupons.

c. Premiums and lotteries.

d. Commissions to any person or organization not identified with the industry, for soliciting of cleaning or dyeing.

e. Free storage.

ART. 11. *Added charges.*—To offer to clean or dye work at a stated price and then later to attempt to secure an additional charge for the eradication of certain spots or stains.

ART. 12. *Secret rebates, etc.*—The secret payment or allowance to any customer or their employees of rebates, refunds, commissions, or discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges. This includes also false invoicing. It further includes secret rebates under the guise of allowance for lost, misplaced, or damaged articles.

ART. 13. *Interference with competitors' employees.*—To entice away employees of competitors with the purpose and effect of hampering, injuring, or embarrassing them. Further, to incite, aid, or abet, directly or indirectly, singly or together with others, anything

unlawful in connection with any strike, dispute or labor trouble between any competitor and his employees.

ART. 14. *Unsanitary conditions.*—To house and/or board employees within a cleaning plant and/or retail outlet. Further, to fail to comply with all federal, state, or local laws or regulations governing sanitary and working conditions in cleaning and dyeing establishments and/or retail outlets and to fail to provide such necessities as will protect the efficiency and the comfort of workers.

ART. 15. *Unfair terms.*—To accept cleaning and/or dyeing except on a cash basis from any customer whose credit standing is known to be poor, with the intent and/or effect of preventing or hindering collection of outstanding accounts. Further, to extend a longer term of credit to any customer than recommended by the local committee based upon its credit investigations.

ART. 16. *Unduly long hours.*—No plant, branch office, or any other outlet may be open for business more than 12 hours on any week day (Saturdays, 16 hours), or at any time whatsoever on Sundays and legal holidays. The time for opening and closing such outlets shall be regulated by local committees.

ART. 17. *Imitation of competitors.*—To simulate or copy a style of store front and signs or advertising of a competitor with the intention of deceiving customers of said competitor.

ART. 18. To do work for a solicitor, bobtail, or commissioner as defined in Section I, Article 9.

ART. 19. *Identification of sales outlets.*—Each retail-sales outlet shall be required to post in a conspicuous place the name and address of the owner or operator of the outlet.

ART. 20. *Dumping.*—No cleaning plant or outlet shall sell cleaning and/or dyeing service in any trade area at a price less than the established price in said area.

ART. 21. *Selling below cost.*—

SECTION V—REPORTS AND STATISTICS

ARTICLE 1. The National Association, through its Recovery Executive Committee, shall have authority to require any cleaning plant or outlet to submit reports of costs and production at any time, covering any period, in order to insure against violations of the provision of this Code regarding the selling of product below cost, or for the purpose of furnishing desired information to the National Recovery Administration. Among other things, these reports may include data on:

- a. Wages.
- b. Hours of labor.
- c. Rates of Pay.
- d. Costs and prices.
- e. Dollar-volume of sales.
- f. Productive capacity.

ART. 2. The National Association of Dyers and Cleaners, through its Recovery Executive Committee, shall have authority to prescribe general plans and methods to be followed by cleaning plants for keeping records of and preparing reports on costs and other financial data.

ART. 3. The National Association of Dyers and Cleaners, through its Recovery Executive Committee, shall have authority to determine and prescribe all the elements which shall be taken into consideration in determining what constitutes cost in any trade area.

ART. 4. For the term of the National Industrial Recovery Act the National Association of Dyers and Cleaners, through its Recovery Executive Committee, shall have authority to decide the need for additional production capacity and additional retail outlets.

SECTION VI—ARBITRATION

The Recovery Executive Committee shall arbitrate all disputes between wholesalers, retailers, and retail outlets, which cannot be settled locally, and the decision of the Committee shall be binding, subject to the National Recovery Administration.

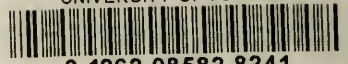
The Executive Committee of the National Association of Dyers and Cleaners shall appoint a Board of Arbitration in each trading area for the final settlement of all unsettled claims arising from the consumers, the cleaning and dyeing industry, or the retail merchants in the trading area. The Board of Arbitration shall be composed of two retail merchants, two members of cleaning and dyeing industry, and one representative of the Better Business Bureau, Chamber of Commerce, or some similar consumer organization.

SECTION VII—MONOPOLY

No provision in this Code shall be interpreted or applied in such a manner as to promote monopolies, permit or increase unfair competition, or to discriminate against small enterprises.



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